

Office of Public and Indian Housing

Explanation of Initial Calendar Year (CY) 2015 Obligation (January)**Public Housing Operating Fund**

The Department has obligated initial funding for Operating Fund subsidies for the months of January 2015 (under the Continuing Resolution), in accordance with the information below. The first round of funding is expected to be available in eLOCCS not later than January 1, 2015. The second round of 2015 funding will be provided by February 1, 2015.

Estimated Project Eligibility Levels for CY 2015

The CY 2015 project prepopulated formula data and CY 2014 HUD-52723 data were used as the basis for the CY 2015 estimate. In determining CY 2015 estimated project eligibility, the Financial Management Division (FMD) incorporated the following data when available:

- Prepopulated Unit Status Category data for 2015 HUD-52723;
- 2015 Project Expense Levels (PELs) and in certain cases such as new project a PHA average PEL may have been used;
- 2014 Utility Expense Levels (UELs) and in certain cases a national average UEL may have been used;
- Add-on amounts from the CY 2014 HUD-52723 data for PILOT and Audit were used. Asset Management Fees, Information Technology, and Resident Participation funding were based in prepopulated unit status data. Asset Repositioning Fees (ARF) in CY 2015 was based ARF PIC data used as the prepopulated amounts in the 2015 HUD-52723;
- Stop Loss/Transition Funding is consistent with the 2015 prepopulated amount times 2015 unit status data; and,
- Formula income used the CY 2014 HUD-52723 data or in certain cases a PHA average.
- Where the percentage difference in the 2014 Eligibility and the 2015 estimated Eligibility was greater than 20%, the 2014 Eligibility was taken as the 2015 estimate except generally in the case of new projects.

Where a PHA finds that the estimate funding does not reflect its actual eligibility to be reported on the 2015 HUD-52723, the PHA is expected to refrain from drawing any excess funds. If a PHA received funding for a project that is ineligible for funding in CY 2015, the PHA should notify its Field Office by January 7, 2015.

Once approved 2015 HUD-52723 PHA eligibility submissions are processed, the prorated eligibility will cumulatively be applied to the next funding, in certain project(s) providing increases or decreases in funding as needed.

Interim Proration Levels for CY 2015

The Department's undertakes a conservative methodology in determining proration levels during Continuing Resolutions. For the January funding, the Department considered the lowest of the current Congressional Legislative bodies (House of Representatives and Senate) 2015 Budget Proposals and 2015 estimated eligibility to provide for an interim proration level of

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approximately 82.35%. The final proration will adjust this interim proration level either up or down once HUD's Operating Fund Program Appropriation bill is passed. Additionally, the final proration may be lower than estimated eligibility based on actual PHA subsidy requests.